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FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC IMMEDIATE 1763
INFO ASEAN COLLECTIVE
AMEMBASSY CANBERRA
AMEMBASSY LISBON
AMEMBASSY ROME
AMEMBASSY TOKYO
AMEMBASSY WELLINGTON
USMISSION GENEVA
USCINCPAC HONOLULU HI//FPA

C O N F I D E N T I A L SECTION 01 OF 03 JAKARTA 005955

ROME FOR VATICAN
USUN FOR PIPER CAMPBELL

E.O. 12958: DECL: 12/01/04
TAGS: [PREL](#) [PGOV](#) [PHUM](#) [PINR](#) [PREF](#) [SOCI](#) [MOPS](#) [UN](#) [ID](#)
SUBJECT: AMBASSADOR HOLBROOKE'S MEETING WITH XANANA GUSMAO

11. (U) CLASSIFIED BY POLCOUNS PAMELA SLUTZ; REASON 1.5(D).

SUMMARY

12. (C) AMBASSADOR HOLBROOKE, ASSISTANT SECRETARY ROTH, AMBASSADOR GELBARD AND PARTY MET A WARM AND ELABORATE RECEPTION AT XANANA GUSMAO'S COMPOUND IN AILEU, EAST TIMOR ON NOVEMBER 23. AMBASSADOR HOLBROOKE STRESSED U.S. DETERMINATION TO RESOLVE THE REFUGEE SITUATION IN WEST TIMOR AND ARRANGED FOR XANANA TO RECORD A STATEMENT REFUTING MILITIA DISINFORMATION AND URGING THE REFUGEES TO RETURN. HE ADVISED XANANA THAT HE WOULD BE DEALING WITH A MUCH IMPROVED GOI DURING HIS UPCOMING VISIT TO JAKARTA. XANANA MADE CLEAR HIS RESISTANCE TO "BEING FORCED TO ACCEPT MILITIA LEADERS AS IF NOTHING HAD HAPPENED." THE CNRT LEADER ALSO REMAINED CONCERNED THAT UNTAET AND THE NGO'S WERE NOT ADEQUATELY CONSULTING HIS PEOPLE. XANANA INDICATED THAT HE AND HIS ADVISORS NOW WERE THINKING ABOUT A QUICKER TRANSITION TO INDEPENDENCE.

WARM RECEPTION

13. (C) DUE TO XANANA GUSMAO'S ILLNESS (THE CNRT LEADER WAS FEVERISH AND COUGHING -- WE ARRANGED FOR A U.S. MILITARY DOCTOR TO VISIT HIM ON NOVEMBER 24), AMBASSADOR HOLBROOKE AND PARTY ASCENDED VIA UNTAET HELICOPTER TO XANANA'S CURRENT HEADQUARTERS AT AILEU, A COOL MOUNTAIN TOWN 50 KM SOUTH OF DILI. SEVERAL HUNDRED ARMED AND SMARTLY UNIFORMED FALINTIL GUERRILLAS STOOD AT ATTENTION AT THE LARGE FIELD WHERE THE HELICOPTER LANDED, MANY WITH LONG HAIR PROTRUDING FROM THEIR RED BERETS. AMBASSADOR HOLBROOKE WAS GREETED BY XANANA, WHO WAS FLANKED BY UDT (TIMORESE DEMOCRATIC UNION) LEADER JOAO CARRASCALAO AND ALSO ACCOMPANIED BY DEPUTY FALINTIL COMMANDER MATAN RUAK. AFTER PASSING THROUGH HUNDREDS OF ONLOOKERS AND SEVERAL ROWS OF WOMEN DRESSED IN A VARIETY OF COLORFUL EAST TIMORESE TRADITIONAL GARMENTS, AMBASSADOR HOLBROOKE AND PARTY JOINED XANANA AND HIS AIDES ON A COVERED STAGE TO WATCH AN IMPRESSIVE PROGRAM PRESENTED BY TRADITIONAL DANCERS REPRESENTING VARIOUS FALINTIL REGIONS. SOME NOT SO TRADITIONAL DANCING BY THE 8 TO 10 YEAR OLD SET (TO CURRENT POP HITS PLAYED ON A SCRATCHY TAPE) CONTRIBUTED TO THE FESTIVE, RELAXED ATMOSPHERE. XANANA CALLED THE PROCEEDINGS "OUR FIRST STATE VISIT."

U.S. WANTS TO HELP

14. (C) FOLLOWING BRIEF REMARKS BY XANANA AND OTHERS IN THE LOCAL TETUN LANGUAGE, AMBASSADOR

HOLBROOKE WAS ASKED TO SPEAK. HOLBROOKE SALUTED THE EAST TIMORESE FOR HAVING ACHIEVED PEACE AND FREEDOM AFTER A LONG AND COURAGEOUS STRUGGLE AND DREW APPLAUSE WITH HIS REMARK THAT EAST TIMOR WOULD SOON BE THE FIRST NEW NATION OF THE TWENTY-FIRST CENTURY. HOLBROOKE RECALLED THAT HE HAD JUST SEEN THE REFUGEES IN WEST TIMOR, WHO WERE BEING TOLD LIES ABOUT THE SITUATION IN EAST TIMOR. HOLBROOKE ADDED THAT IF ONLY THE REFUGEES IN WEST TIMOR COULD SEE THIS PEACEFUL SCENE IN AILEU, THEY WOULD RETURN. WHILE THE EAST TIMORESE HAD GAINED THEIR FREEDOM THEMSELVES, THE U.S. AND THE INTERNATIONAL COMMUNITY WANTED TO HELP IN CREATING A NEW STABLE DEMOCRACY. THE LEADERSHIP MUST COME FROM THE EAST TIMORESE THEMSELVES, HOWEVER.

A NEW SITUATION IN JAKARTA

15. (C) MOVING TO XANANA'S CURRENT RESIDENCE FOR A MORE PRIVATE DISCUSSION, HOLBROOKE AND A/S ROTH STRESSED TO XANANA THAT HE WAS NOW DEALING WITH A VERY DIFFERENT GOVERNMENT IN JAKARTA, ONE WHICH STILL INCLUDED SOME BAD ELEMENTS BUT WHICH ALSO HAD A PRESIDENT AND FOREIGN MINISTER WHO WERE STRESSING TOLERANCE, AND AN ATTORNEY GENERAL ANXIOUS TO INVESTIGATE THE ABUSES IN EAST TIMOR TO DEMONSTRATE THAT INDONESIA HAS CHANGED. HOLBROOKE URGED XANANA TO REMEMBER THAT HE HAD SOME FRIENDS IN JAKARTA, INCLUDING PRESIDENT WAHID. XANANA CONFIRMED THAT HE WAS MEETING PRESIDENT WAHID IN JAKARTA ON NOVEMBER 30.

FOCUS ON REFUGEES

16. (C) HOLBROOKE TOLD XANANA THAT THERE WERE FOUR ISSUES DRIVING THE INDONESIA/EAST TIMOR DYNAMIC: THE STRUGGLE FOR POWER IN JAKARTA BETWEEN THE REFORMERS AND THE STATUS QUO SUPPORTERS; THE SITUATION IN WEST TIMOR, WHERE AT LEAST ONE-EIGHTH OF THE EAST TIMORESE POPULATION REMAINED TRAPPED; THE CNRT'S RELATIONS WITH JAKARTA; AND THE ACEH SITUATION. HOLBROOKE SAID THE FOCUS OF HIS TRIP HAD BEEN THE PEOPLE IN THE CAMPS IN WEST TIMOR. DISINFORMATION AND INTIMIDATION WERE PREVENTING PEOPLE FROM RETURNING HOME. IN ONE INSTANCE, THREE DAYS AGO, 1000 REFUGEES HAD SIGNED UP TO DEPART AND ONLY 350 SHOWED UP, A CLEAR INDICATION OF THE SCALE OF INTIMIDATION.

NEED TO GET MESSAGE OUT

17. (C) HOLBROOKE TOLD XANANA THAT HE MUST URGENTLY BROADCAST HIS MESSAGE TO THE PEOPLE IN THE CAMPS VIA ALL POSSIBLE MEANS AND ADVISED HIM TO INSIST TO THE GOI DURING HIS UPCOMING VISIT TO JAKARTA THAT THERE WOULD BE NO GOOD RELATIONS UNTIL THE CAMPS WERE CLEARED. (COMMENT: AT HOLBROOKE'S URGING, XANANA CONVEYED SUCH A MESSAGE URGING REFUGEES NOT TO BELIEVE RUMORS OF CONTINUING CONFLICT IN EAST TIMOR AND ASSURING THEM THEY HAD NOTHING TO FEAR, VIA THE MEDIA COVERING THIS EVENT. END COMMENT.)

AGREEMENT RAISES PRESSURE ON GOI

18. (C) XANANA EXPRESSED CONCERN THAT A DEAL TO PERMIT THE REFUGEES TO RETURN MIGHT FORCE HIS PEOPLE "TO ACCEPT THE MILITIA COMMANDERS AS IF NOTHING HAD HAPPENED." HOLBROOKE ASSURED XANANA THAT THE AGREEMENT SIGNED AT THE BORDER ON NOVEMBER 22 DID NOT REQUIRE XANANA TO MAKE ANY SUCH DEAL. HOLBROOKE ADDED THAT HIS PARTY HAD UPPED THE PRESSURE ON THE INDONESIAN

MILITARY BY TAKING THEM INTO THE CAMPS
ACCOMPANIED BY THE INDONESIAN AND
INTERNATIONAL PRESS. WHILE IT REMAINED TO BE
SEEN WHETHER THE INDONESIAN COMMITMENTS WOULD BE
IMPLEMENTED, THE CAMP VISIT WAS AN IMPORTANT STEP
WHICH RAISED THE PRESSURE ON THE INDONESIANS.

A FASTER TRANSITION TO INDEPENDENCE?

¶9. (C) AMBASSADOR HOLBROOKE ASKED XANANA IF
HE HAD BEEN THINKING ABOUT WHEN INDEPENDENCE
SHOULD BE ACHIEVED. XANANA SAID HIS AND HIS
ADVISORS' CURRENT THINKING WAS "WHY WAIT SUCH
A LONG TIME?" XANANA ARGUED THAT IT WOULD BE
EASIER AND FASTER FOR AN INDEPENDENT
GOVERNMENT TO ARRIVE AT STRATEGIC DECISIONS
THAN IS THE CASE WITH THE CURRENT SITUATION OF
CONFUSING MANDATES. (COMMENT. ON NOVEMBER 22
ACTING UNTAET DEPUTY DAVID HARLAND TOLD POLOFF
THAT TOP UNTAET OFFICIALS ALSO WERE SERIOUSLY
CONSIDERING THE POSSIBILITY OF A QUICKER
TRANSITION TO INDEPENDENCE THAN ORIGINALLY
ENVISIONED. END COMMENT.)

TIMING IMPORTANT

¶10. (C) AMBASSADOR HOLBROOKE SAID THE FIRST
ISSUE IS FOR THE EAST TIMORESE TO BUILD UP THE
GOVERNMENT ECONOMIC AND POLITICAL SYSTEM. THEN
THEY CAN DECIDE WHEN TO BECOME AN INDEPENDENT
MEMBER OF THE UN. XANANA AND DE MELLO MUST
CONSULT CLOSELY TO ARRIVE AT THIS DECISION.
THE U.S. WOULD SUPPORT WHATEVER WAS DECIDED
AND PROVIDE ASSISTANCE BEFORE AND AFTER
INDEPENDENCE. TIMING WAS IMPORTANT: WAITING
TOO LONG WOULD PROVOKE RESISTANCE WHILE MOVING
TO INDEPENDENCE BEFORE EAST TIMOR WAS PREPARED
ALSO WOULD HAVE NEGATIVE CONSEQUENCES. XANANA
SAID THAT PRESENT UNCERTAINTIES REGARDING
HUMAN RESOURCES COMPLICATED ANY DECISION ON
TIMING FOR INDEPENDENCE. AMBASSADOR HOLBROOKE
SAID THAT WHILE NO DECISION NEED BE MADE RIGHT
AWAY, IT WAS IMPORTANT TO BEGIN FOCUSSED ON
THE ISSUE BECAUSE THE UN'S TIMETABLE FOR THE
TRANSITION WOULD BE A KEY DETERMINING FACTOR
IN A NUMBER OF AREAS.

WHICH CURRENCY?

¶11. (C) IN RESPONSE TO AMBASSADOR HOLBROOKE'S
QUERY, XANANA SAID THAT "FOR POLITICAL
REASONS" THE CNRT WAS CONSIDERING USING THE
PORTUGUESE ESCUDO AS EAST TIMOR'S CURRENCY.
HOLBROOKE POINTED OUT THAT THE ESCUDO WOULD BE
REPLACED BY THE EURO IN ANOTHER 18 MONTHS AND
HE SUGGESTED THAT A DECISION ON CURRENCY BE
LEFT TO THE TECHNICAL EXPERTS. XANANA SAID
THE IMF HAD BEEN AMENABLE TO USING THE
AUSTRALIAN OR SINGAPORE DOLLAR OR THE RUPIAH.

FUTURE GOVERNANCE

¶12. (C) AMBASSADOR HOLBROOKE ASKED ABOUT PLANS FOR A
GOVERNING COUNCIL DURING THE TRANSITIONAL PERIOD.
XANANA SAID HE AND SRSG DE MELLO (WHO ARRIVED FROM
DILI TO JOIN THE MEETING AT THIS POINT) HAD AGREED IN
PRINCIPLE ON A TRANSITION ADVISORY COUNCIL. XANANA
SAID THE CNRT WOULD DISBAND AT INDEPENDENCE WITH THE
POLITICAL PARTIES BECOMING THE MAIN ACTORS.

GELBARD